

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: May 27, 2008
POSITION: Oppose

BILL NUMBER: SB 1760
AUTHOR: D. Perata
RELATED BILLS: SB 660 (2006 Session)

BILL SUMMARY: Energy: Greenhouse Gas Emissions

This bill would statutorily authorize the Climate Action Team (CAT), consisting of representatives from specified state agencies, and assign the CAT responsibility for coordinating the state's climate change efforts. Beginning January 1, 2010, the CAT would be required to annually present to the Legislature a strategic research, development, and demonstration plan (plan) that establishes priorities and expenditure categories for climate change research funds to be expended by those state agencies for the following fiscal year. The bill would require research funds in the Department of Transportation for clean technology, environmental protection, and public interest energy research to be expended consistent with the plan.

The CAT also would be required to adopt a biennial climate change impact adaptation and protection plan by January 1, 2010.

FISCAL SUMMARY

As the state agencies that would be impacted by this bill already function as members of the existing Climate Action Team (CAT) authorized by Executive Order S-20-06, the Department of Finance assumes the cost of implementing most of this bill's provisions to be minor and absorbable. However, to the extent that any of the new requirements imposed by the bill are determined by the CAT members to require significant additional resources, the bill has the potential to increase pressure on the General Fund.

SUMMARY OF CHANGES

Amendments to this bill since our analysis of the original version are minor and do not alter our position. A prior provision designating the bill as an urgency statute has been deleted.

COMMENTS

This bill's apparent intent is to ensure that GHG research-related funds across state entities are expended in a coordinated fashion. While Finance supports this intent, we oppose this bill for the following reasons:

- This bill is unnecessary. Currently, the Air Board, the CEC, the PUC and other state entities work together to ensure that research efforts related to clean technologies, greenhouse gas (GHG) emission reduction efforts, and efforts needed to meet state GHG goals are not duplicative and are fully coordinated. This collaboration is accomplished through existing and ongoing CAT efforts coordinated by the Secretary for Environmental Protection.
- Existing state climate change efforts are coordinated by one agency: the Secretary for Environmental Protection. This bill, by assigning that authority to a committee of agencies, would diffuse overall responsibility and most likely result in additional coordination challenges.

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Analyst/Principal (0623) K. DaRosa	Date	Program Budget Manager Karen Finn	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)**Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

D. Perata

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SB 1760

COMMENTS (continued)

- This bill would require an additional approval process for research expenditures. An additional level of approval requirements likely would slow efforts already underway to expend research dollars to meet the ambitious GHG reduction goals established by Chapter 488, Statutes of 2006 (AB 32).

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							
	LA	(Dollars in Thousands)							
	CO	PROP							Fund
	RV	98	FC	2008-2009	FC	2009-2010	FC	2010-2011	Code
0520/Secty BT&H	SO	No	-----	See Fiscal Summary				-----	0001
0540/Secty Res	SO	No	-----	See Fiscal Summary				-----	0001
0555/Environ Prot	SO	No	-----	See Fiscal Summary				-----	0001
3360/Energy Comm	SO	No	-----	See Fiscal Summary				-----	0001
3900/Air Res Bd	SO	No	-----	See Fiscal Summary				-----	0001
8570/Food & Ag	SO	No	-----	See Fiscal Summary				-----	0001
8660/PUC	SO	No	-----	See Fiscal Summary				-----	0001